Alberta Economy

Indicators at a Glance

Economic Activity

The Alberta Activity Index eased 0.4% in June but continues to improve over last year's levels up 7.7% y/y. In 2016, Alberta's real GDP by industry fell by 3.8%, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,291,980 as of April 1, 2017, an increase of 1.4% from the year prior. Canada's population grew 1.2% from a year ago.

Migration

Net migration to Alberta was 4,693 in the first quarter of 2017. During this time, Alberta welcomed 7,085 net international migrants. However, there was a net outflow of interprovincial migrants (-2,392), the sixth consecutive quarterly decline.

Employment[1]

Alberta added 2,300 jobs in August, mainly due to an increase in full-time positions (+7,600), offset by a decline in Part-time positions (-5,400). Employment increased 1.5% year-over-year (y/y).

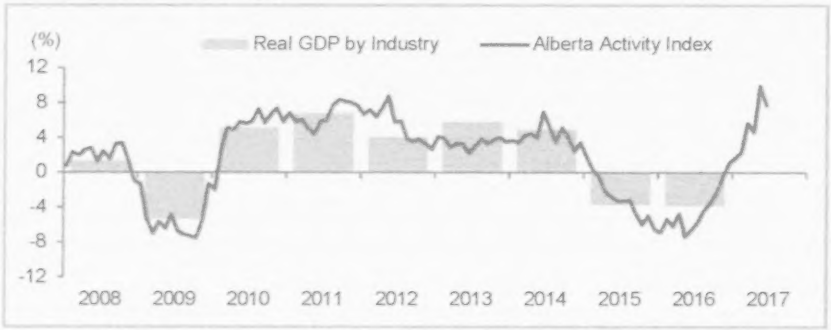
Unemployment Rate[1]

Alberta's unemployment rate increased 0.3 percentage points to 8.1% in August. Canada's unemployment rate ticked down 0.1 percentage points to 6.2%.

Rigs Drilling

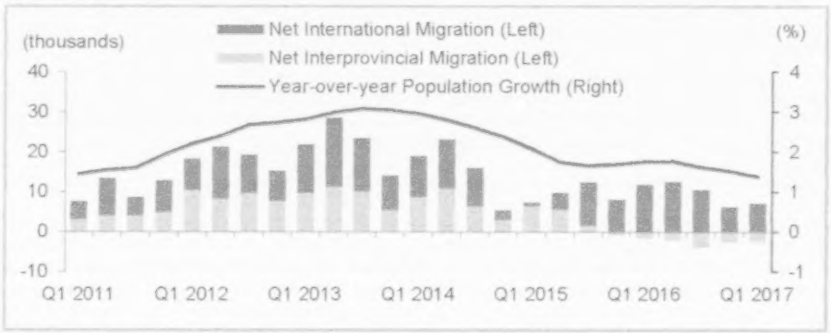
The number of active rigs in Alberta averaged 126 in August, up 67% y/y. Year-to-date, the number of active rigs has average 127, double the amount in 2016.

Economic Activity
Year-over-year % change



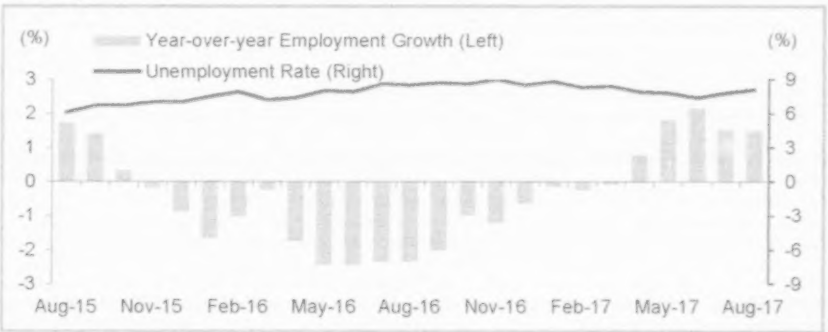
Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics
Quarterly



Source: Statistics Canada

Labour Market
Monthly



Source: Statistics Canada

Alberta Government

September 22, 2017
Treasury Board and Finance
Economics and Revenue Forecasting

NEW: Inflation

The Alberta Consumer Price Index (CPI) rose 1.1% y/y in August, up from 1.0% in July, as energy prices increased. The Canadian inflation rate also ticked up in August to 1.4%.

Average Weekly Earnings[1]

Average weekly earnings (AWE) in Alberta rose by 1.8% in June to $1,132, with both goods (+2.0% m/m) and service sector earnings (+1.2% m/m) increasing.

NEW: Retail Sales[1]

Alberta retail sales decreased by 0.6% m/m to $6.8 billion in July. Retail sales grew 9.5% y/y, the eigth consecutive month of year-over-year gains.

Housing Starts[1]

Alberta housing starts fell 22% m/m in August to 26,154 units (annualized). Housing starts increased 33% y/y, with both single-family and multi-family starts up 51% y/y and 22% y/y, respectively.

New Housing Price Index

Alberta's New Housing Price Index (NHPI) increased 0.5% in July and was unchanged from a year ago. The house-only component was down 0.3% y/y, while land prices was up 0.4% y/y.

Building Permits[1]

Alberta building permits were down 6.5% m/m in July to $1.0 billion. Building permits were down 9.0% y/y. Non-residential permits dropped 30% y/y and residential permits increased 9.3% y/y.

[1] Seasonally adjusted

Contact

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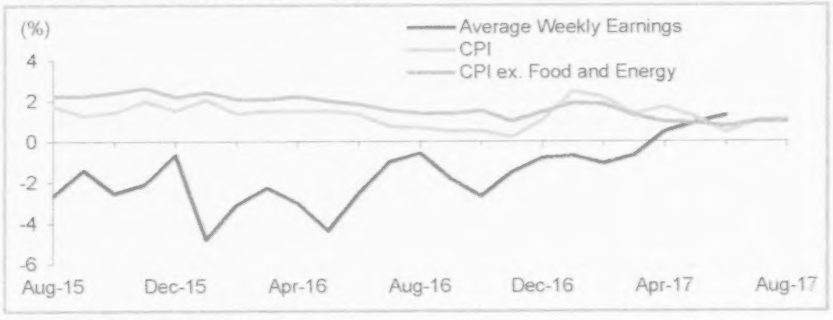
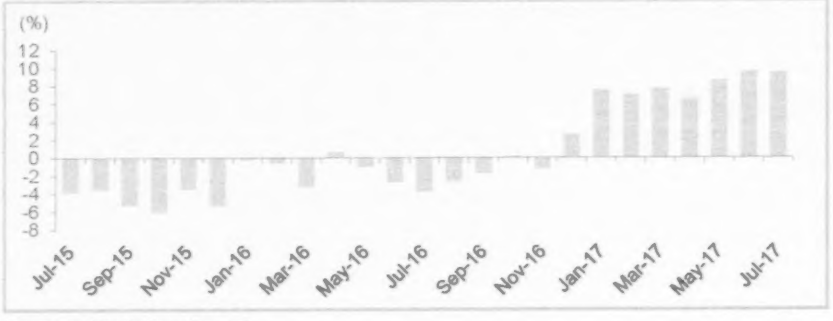
Inflation and Earnings
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales
Monthly, year-over-year % change



Source: Statistics Canada

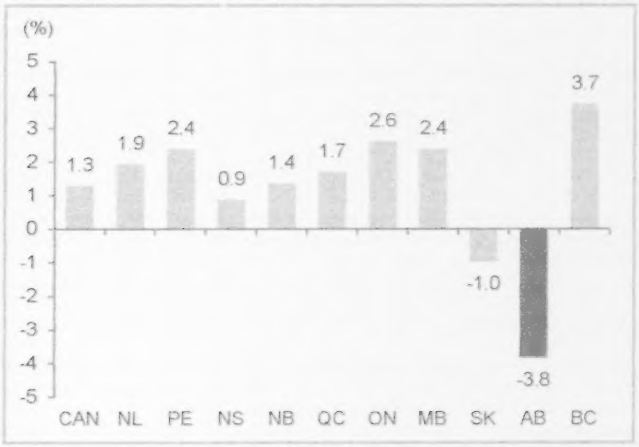
Housing Market
Monthly

Source: Statistics Canada, Canada Mortgage and Housing Corporation

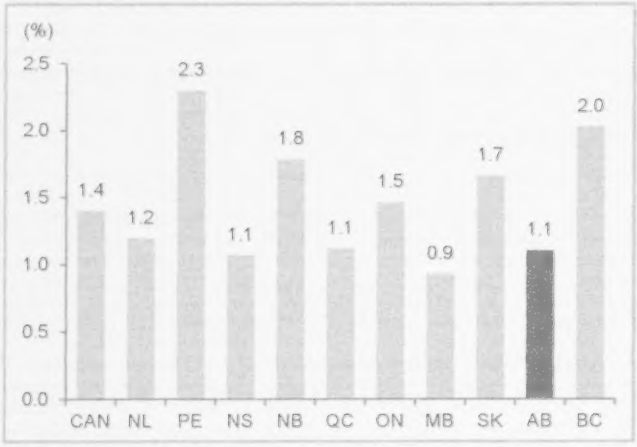
	Canadian Dollar (USc/$CAN)	WTI Oil ($US/bbl)	NYMEX Natural Gas ($US/MMBtu)	Alberta Reference Price ($C/GJ)
Latest (September 21, 2017)	81.04	50.55	2.95	1.83 (AW)
Fiscal year-to-date	77.05	48.00	3.05	2.26

Please see the *Weekly Economic Review* for current analysis on the Alberta economy.

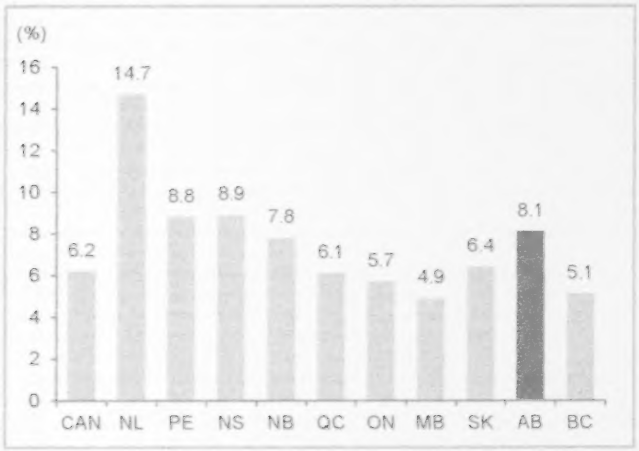
Real GDP by Industry
(2016, year-over-year growth)



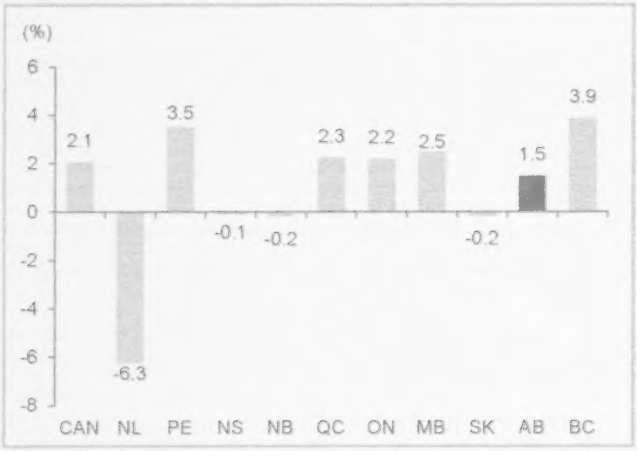
CPI Inflation
(July 2017, year-over-year growth)



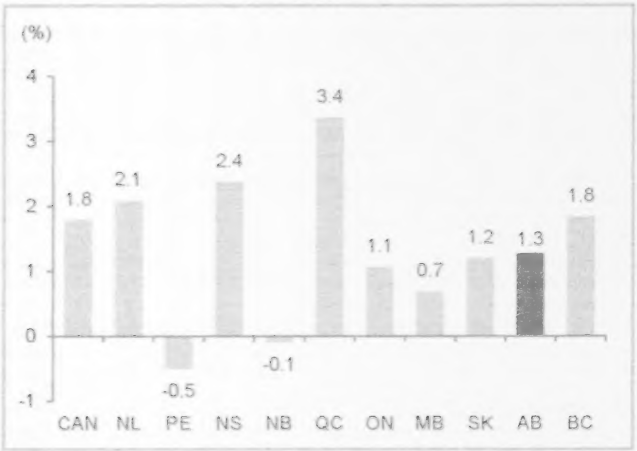
Unemployment Rate
(August 2017)



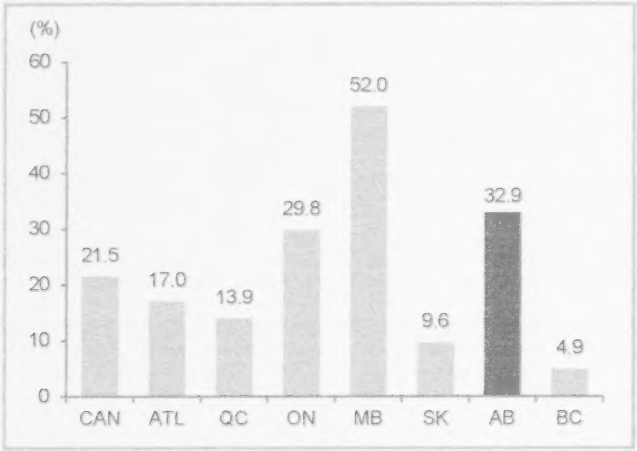
Employment
(August 2017, year-over-year growth)



Average Weekly Earnings
(June 2017, year-over-year growth)



Housing Starts
(August 2017, SAAR, year-over-year growth)



Alberta Economic Indicators

	2015	2016	2017YTD	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Alberta Activity Index (y/y % change)	-3.0	-4.4	5.3	5.6	4.6	9.9	7.7		
Population[1]									
Population (thousands)	4,180	4,253	4,292		4,292				
y/y % change	1.7	1.8	1.4		1.4				
Net Interprovincial Migration	21,594	-2,677	-8,815		2,392				
Net International Migration	16,743	43,041	23,657		7,085				
Labour Market									
Employment (thousands, SA)	2,301	2,264	2,284	2,289	2,289	2,291	2,299	2,284	2,287
m/m change (thousands)				20.4	-0.3	2.1	7.5	14.4	2.3
y/y % change	1.2	-1.6	0.9	-0.1	0.8	1.8	2.2	1.5	1.5
Unemployment Rate (%, SA)	6.0	8.1	8.1	8.4	7.9	7.8	7.4	7.8	8.1
Participation Rate (%, SA)	73.0	72.5	72.6	73.1	72.7	72.5	72.4	72.2	72.5
Average Weekly Earnings ($, SA)	1,146	1,119	1,118	1,119	1,125	1,112	1,132		
y/y % change	0.3	-2.4	0.0	-0.7	0.5	0.9	1.3		
Household Sector									
NEW Retail Sales ($ million, SA)	76,019	75,110	47,047	6,654	6,708	6,786	6,806	6,762	
y/y % change	4.0	-1.2	8.0	7.6	6.6	8.6	9.5	9.5	
New Vehicle Sales (units, thousands)	242	224	148	23	24	24	24	22	
y/y % change	-12.7	-7.6	12.7	15.1	15.0	17.2	14.2	14.3	
NEW Consumer Price Index (y/y % change)	1.1	1.1	1.4	1.3	1.7	1.2	0.4	1.0	1.1
Excluding Food & Energy	2.3	1.7	1.2	1.3	1.0	0.9	0.7	1.0	1.0
Housing Starts (SAAR, 000's)	37.3	24.5	29.3	25.0	31.1	32.5	30.9	33.3	26.2
y/y % change	-8.1	-34.2	24.1	58.7	8.7	47.0	26.9	30.1	32.9
New Housing Price Index (y/y % change)	0.7	-0.5	0.5	0.4	0.5	0.8	0.4	0.0	
Resale Home Sales	56,471	52,166	37,645	4,790	4,814	4,545	4,610	4,549	4,600
y/y % change	21.3	-7.6	9.6	13.8	10.0	4.5	3.1	1.4	6.1
Sales to New Listing Ratio	0.52	0.49	0.50	0.52	0.51	0.46	0.46	0.46	0.47
MLS Average Resale Prices ($ thousands)	393	395	398	402	401	402	402	395	396
y/y % change	1.9	0.4	1.8	4.0	2.6	2.3	3.2	-1.7	0.6
Consumer Bankruptcies (level)	4,280	5,427	2,623	504	407	460	435		
y/y % change	10.9	26.8	-7.7	-2.1	18.6	-4.2	8.4		
Business Sector									
Goods Exports (customs based,$ million)	92,441	78,834	58,923	9,270	8,289	8,847	8,178	7,648	
y/y % change	-24.0	-14.7	40.1	62.5	54.3	56.5	31.2	23.8	
Energy Products ($ million)	62,500	51,468	41,081	6,414	5,627	6,131	5,611	5,105	
y/y% change	-31.5	-17.7	56.3	93.0	80.6	80.9	38.3	28.7	
Agricultural Products ($ million)	6,474	6,283	4,301	606	615	709	582	542	
y/y % change	0.2	-3.0	17.4	22.3	0.2	33.2	17.3	12.8	
Rigs Drilling	120	79	127	148	85	61	87	119	126
y/y% change	-52.6	-34.0	99.9	227.6	193.9	143.7	112.8	103.6	66.8
Manufacturing Shipments ($ million, SA)	68,178	62,709	41,035	5,867	5,959	6,085	5,967	5,755	
y/y% change	-14.3	-8.0	15.0	18.0	16.4	20.4	13.8	9.7	
Wholesale Trade ($ million, SA)	79,380	71,765	45,733	6,459	6,467	6,795	6,577	6,867	
y/y% change	-6.3	-9.6	9.2	8.5	9.1	16.8	9.6	16.3	
Building Permits ($ million, SA)	16,753	14,200	7,760	1,112	1,002	1,181	1,099	1,028	
y/y% change	8.2	-15.2	2.8	10.0	21.7	15.9	10.9	9.0	
Residential Permits ($ million, SA)	9,876	7,930	4,758	696	662	749	711	654	
y/y % change	-8.8	-19.7	13.3	36.7	1.8	34.1	23.9	9.3	
Non-Residential Permits ($ million, SA)	6,877	6,270	3,002	417	340	432	388	374	
y/y% change	-7.4	-8.8	-20.7	17.1	43.8	6.3	6.9	29.6	
Non-Res Building Cons Price Index[2] (y/y % change)	-0.7	-2.8	-0.1	0.9			0.7		

[1] Population data presented on a census year basis (July 1– June 30). The current census year 2017.

[2] Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).All historical data are subject to revision